



TO: Clark County Council

FROM: Oliver Orjiako, Director

DATE: September 20, 2023

SUBJECT: Issue Paper 4: Planning Assumptions

Purpose

This memorandum is intended to provide the County and Cities the information for a discussion on planning assumptions for the 2025 periodic plan update. This memo focuses on only technical aspects and on policy directions.

Background

The Clark County Council on May 2, 2023, chose a population number of 718,154. This represents a 1.4% growth rate from the Office of Financial Management middle 2025 base number of 543,507. That represents a total of 174,674 new people added from 2025 to the 2045 planning horizon. The estimated number of jobs assumes a jobs to households ratio of 1:1 by the end of the planning horizon.

In “Issue Paper 1- Overview of Planning under GMA in Clark County (1994-2020),” Community Planning presented background information on the pending Clark County 20-Year Comprehensive Growth Management Plan update.

In “Issue Paper 2 – Forecasting Population and Jobs,” Community Planning presented background information for a discussion with its cities and towns on establishing population and job planning assumptions for the 2025 through 2045 periodic update; Resolution number: 2023-05-03.

In “Issue Papers 3 and 3.1 - Employment Forecast,” Community Planning presented employment projections provided by Washington Employment Security Department, Regional Economist Scott Bailey, using the population projections as directed by council for the 2025 plan update.

Recent legislation, including E2SHB 1110 (effective 2023) and E2SHB 1220 (effective 2021), impact how jurisdictions are to plan for growth and require certain jurisdictions to allow for more

dense developments on single family lots. The requirements of HB 1110¹ apply to the cities of Camas, Washougal, and Vancouver, but not to unincorporated Clark County.

By enacting HB 1220 in 2021, the Washington Legislature changed the way communities are required to plan for housing. HB 1220 amended the Growth Management Act (GMA) to direct local governments to “plan for and accommodate” housing affordable to all income levels. This significantly strengthened the previous goal, which was to encourage affordable housing. HB 1220 applies to Clark County, as well as to the cities within the County.

HB 1220 also directed the Department of Commerce to project future housing needs for jurisdictions by income bracket and significantly altered how jurisdictions are to plan for housing in the housing element of their comprehensive plans. These new requirements for local housing elements include:

- **Planning for sufficient land capacity for housing needs**, including all economic segments of the population (moderate, low, very low and extremely low income, as well as emergency housing and permanent supportive housing).
- **Providing for moderate density housing options within Urban Growth Areas (UGAs)**, including but not limited to duplexes, triplexes and townhomes.
- **Making adequate provisions for housing for existing and projected needs for all economic segments of the community**, including documenting programs and actions needed to achieve housing availability.
- **Identifying racially disparate impacts, displacement and exclusion** in housing policies and regulations, and beginning to undo those impacts; and identifying areas at higher risk of displacement and establishing anti-displacement policies.

The Department of Commerce has created a Housing Analysis Planning Tool (HAPT) to help jurisdictions plan for future housing need. The HAPT provides an estimate of future housing needed by 2045 yh. The estimated housing need contains some assumptions that significantly differ from those used by the county in past planning efforts. Several assumptions used in the HAPT (25-year needs projection, persons per household, vacancy rate, urban/rural Split) warrant further discussion and potential refinement from the Council.

The HAPT uses 2020 estimated housing supply as the baseline for the projected housing need in combination with the 2045 population estimate, which results in a 25-year forecast of housing need. An adjustment should be made to be consistent with the 20-year planning horizon. The County should apply a 20% reduction in the Countywide Additional Units Needed (2020-2045), as determined by the HAPT.

The persons per household (PPH) number used by the HAPT assumes a much smaller PPH figure than what Clark County has used historically, or what is reflected in the latest census data. The current census data has been the source for previous PPH assumptions and is used by the county for the households to jobs ratio to estimate the number of jobs needed over the

¹ HB 1110 includes amendments to the GMA that apply to the county and its cities. Additionally the requirements for increased density are based on population size and currently only three jurisdictions meet the threshold but others may meet the threshold within the 20-year planning horizon.

20-year plan horizon. The difference in methodology between using the 2045 end year population and a PPH projection from OFM of 2.4572 results in an additional 30,000 housing units needed compared to the 2.67 PPH used on the increment of growth that the county has historically used. Just the difference in PPH yields 11,000 more housing units needed.

The HAPT assumes a six percent vacancy rate which would yield 6% more housing units than households. The vacancy rate based on the 2020 census data is 4%. In previous planning efforts the county has not used a vacancy rate as a factor but has used a market factor ranging from 0 to 25% to increase the residential supply of land. The VBLM includes market factors (never to convert factor) to account for market conditions.

The County has used a 90:10 urban:rural split to account for housing in the rural area.

Previous Planning Assumptions used in Periodic Plan Updates

Table 1: Planning Assumptions: 1994-2016

Assumption	1994	2004	2007	2016
OFM Range*	356,873 – 416,071	453,280 – 571,061	476,692 – 625,316	459,617 - 681,135
20-Year Population Projections**	416,071	517,741	584,310	577,431
Planned Population Growth	123,000	147,278	192,635	128,586
Urban/Rural population growth split	81/19	90/10	90/10	90/10
Assumed Annual population growth rate	2.35%	1.69%	2.2% (2004-2010), 2% (2011-2024)	1.26%
Housing type ratio	60% single family, 40% multifamily	75% single family, 25% multifamily	75% single family, 25% multifamily	75% single family, 25% multifamily
Persons per Household	2.33	2.69	2.59	2.66
New jobs	58,100	84,203	138,312	91,200
Average jobs to population ratio***	01:02.1	01:01.8	01:01.4	1 to 1
Market Factor	25%, residential and commercial; 50%, industrial	0%, residential; 25%, business park and commercial; 50%, industrial	10%, residential; 0% for commercial, business park and industrial	15%, residential; 15% for commercial, business park and industrial

* The 2016 OFM population forecast was prepared in 2012 and reflected the severe recession and slow growth in the preceding period.

** These population projections were chosen by Council. Most were slightly above the medium projection.

*** In 2016 the County switched to a Jobs to Household Ratio, which is the metric that is more commonly used by other agencies (i.e. RTC, ESD)

Source: 20-Year Comprehensive Growth Management Plan 1994, 2004, 2007 and 2016

Proposed 2025 Planning Assumptions for Council Direction

Assumptions	2025
20-year population projection	718,154
Planned population growth (new)	174,674
Urban/rural population growth split	90/10
Assumed annual population growth rate	1.4%
Housing type ratio	based on planned density
Persons per household	2.67
New jobs	73,500
Jobs to household	1:1
Infrastructure deduction, residential	31.5%
Infrastructure, commercial and industrial	25%
VBLM (definition of vacant) Indexed annually based on building values	
Market factor*	
*Residential – VBLM includes a 10% never to convert market factor on vacant land and 30% never to convert factor on underutilized land. HB 1220 also includes a 6% vacancy rate for residential housing units.	
As part of the BLR review process set asides for Park and School land was discussed., Council approved use of district data (found in each school district's CFP) to set aside land for schools and jurisdictions data (found in city and county CFP's) to set aside land for parks as part of the plan update and not as part of the VBLM.	

Next Steps

- The next step is collaboration/coordination with local jurisdictions on allocation for approval by the Council.
- Development of land use alternatives including but not limited to plan text updates and associated development regulations.
- Environmental threshold determination.